VZCZCXRO7448 PP RUEHLMC DE RUEHLP #0886/01 0891647 ZNY SSSSS ZZH P 301647Z MAR 06 FM AMEMBASSY LA PAZ TO RUEHC/SECSTATE WASHDC PRIORITY 8662 INFO RUEHAC/AMEMBASSY ASUNCION 5737 RUEHBO/AMEMBASSY BOGOTA 3015 RUEHBR/AMEMBASSY BRASILIA 6887 RUEHBU/AMEMBASSY BUENOS AIRES 4124 RUEHCV/AMEMBASSY CARACAS 1437 RUEHPE/AMEMBASSY LIMA 1377 RUEHMN/AMEMBASSY MONTEVIDEO 3691 RUEHQT/AMEMBASSY QUITO 4079 RUEHSG/AMEMBASSY SANTIAGO 8611 RHMFISS/HQ USSOUTHCOM MIAMI FL RUMIAAA/USCINCSO MIAMI FL RUEHLMC/MILLENNIUM CHALLENGE CORP RHEBAAA/DEPT OF ENERGY WASHINGTON DC RUEATRS/DEPT OF TREASURY WASHINGTON DC RHEHNSC/NSC WASHINGTON DC

S E C R E T SECTION 01 OF 02 LA PAZ 000886

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SUBJECT: EVO AND HIS ADVISORY CIRCLE (PART 1 OF 3)

Classified By: Amb. David N. Greenlee for reasons 1.4 (b) and (d).

11. (C) Summary: President Morales is an astute domestic political operator but lacks confidence in his economic and international relations abilities. As a result, Morales has surrounded himself with three compartmented groups of advisers. The first are domestic political operators who implement his political vision and serve as the attack dogs for the President. The second group are Bolivian intellectuals that help shore up his decisionmaking in economics, intelligence and security, and international relations, and implement policies on the ground, including the Cuban doctors program, Venezuelan identification program, and Bolivian land reform. The third group is his Cuban and Venezuelan advisers, who seem to have growing influence with the President, trumping even his intellectual advisers. This cable is part one of three cables that looks at the President, who is in his circle of domestic advisers, and how he uses them, and their competition with the Cubans and Venezuelans for the President's confidence. End summary.

Evo: The seasoned Bolivian politician

12. (C) Radical cocalero union leader turned President Evo Morales Ayma is a pragmatic leader whose domestic political instincts are extraordinarily acute. Morales is an expert at spinning stories in his favor, co-opting the platforms of his adversaries, dividing his opposition, and appealing to his bases. A leader with strong anti-democratic tendencies, over the years he has been known to bribe, threaten, and even physically intimidate anyone who has stood in his way, including government officials, politicians, and cocalero colleagues. He has shown great tactical flexibility and an ability to out maneuver even his most formidable political opponents to consolidate his own political power. Morales has developed a reputation for consulting advisers and social groups on domestic political issues, but is confident that he is the expert, the advisor and the final decision maker for those issues. (Comment: This is particularly true on the coca issue.) His cadre of domestic political advisers (SEPTEL), which include Senate President Santos Ramirez, lower chamber President Edmundo Novillo, his personal

assistant Ivan Iporre, and Vice Minister of Government Coordination and personal attorney Hector Arce, tends to operate more as "yes men" who carry out the President's orders than as advisers with real influence on the President,s decisions.

Evo: The struggling student

13. (C) While Morales excels at domestic political machinations, he is more like a struggling student in the areas of economics and international relations decisionmaking. A man who likes to be in control, Morales has shown an eagerness for learning what he needs to make his own decisions in these areas. He has sought out intellectual "experts," primarily from Bolivia,s public universities, to provide him tutoring in the areas he lacks. Morales often tunes out detailed economic discussions with foreign officials and will at times defer to his "experts" when speaking to the press, large groups, and even US officials on issues he is uncertain about. His domestic intellectual advisers (SEPTEL), who include Vice President Alvaro Garcia Linera, Minister of the Presidency Juan Ramon Quintana, and Minister of Planning Carlos Villegas, are largely leftist ideologues and have tended to have more influence with the President compared to his domestic political advisers because of his difficulty grasping complex economic theories and lack of experience in the international arena. Unfortunately, some of this advice borrows from a storehouse of discredited ideas and fantasyland assumptions.

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Evo: The Cuban and Venezuelan conspirator

- ¶4. (S//NF) The third group is a pandora's box of Cuban and Venezuelan advisers, who may have growing influence with the President. While we do not know the extent of their presence, sensitive reporting indicates that Morales meets privately with his foreign advisers multiple times a week without any domestic advisers present. The same reporting also indicates that he receives both political and economic advice from the Cubans. Morales is implementing several programs initiated by the Cubans and Venezuelans in the areas of education, health, and citizen registration. Several of the President's domestic advisers are working hand in hand with the Cubans and Venezuelans, seeking to replace US markets with Venezuelan trade deals, and sensitive reporting says that they are regularly traveling to Cuba for political training.
- 15. (C) Comment: Morales has had a roller-coaster relationship with several of his key domestic advisers, especially Vice President Garcia Linera. He is highly suspicious by nature and is unlikely to tolerate advisers with their own agenda for power and recognition. Morales likely sees the Cuban and Venezuelan advisers as non-threatening to his domestic power. In addition, as an admirer of Cuban President Fidel Castro and Venezuelan President Hugo Chavez, Morales probably is drawn by the longevity of their time in power and seeks to emulate their "success." If Morales grows wary of his domestic advisers he is likely to rely more heavily on his foreign advisers to carry out his vision. End comment.